



**EDUCATION**  
*Structure of Community College Systems*

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
1. NCCCS's mission has expanded from its early dual focus on technical /vocational education and junior college education to include many other programs.			9.2
2. NCCCS already is the second largest community college system in the country.			9.3
3. NCCCS includes a number of colleges which are too small to offer a diverse array of expensive technical programs, support administrative costs efficiently, and achieve a reasonable average cost per FTE.			9.4

## EDUCATION

### Structure of Community College Systems

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>4. The State Board of Community Colleges has been unable to control establishment of community colleges, satellite campuses, or centers.</p> <p>5. The State provides the largest share of community college funding but local communities exert more control over institutions.</p>	<ul style="list-style-type: none"> <li>▪ The General Assembly should mandate a moratorium on establishment of new community colleges, creation of satellite campuses, conversion of satellite campuses to institutional status, and acquisition of other controlled sites or facilities, until the State Board develops clear criteria on which to base such decisions.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Future expansion of NCCCS will take the form of technology investments and quality enhancement, not physical expansion of facilities.</li> </ul>	9.4
<p>6. The funding level of NCCCS students is 25 percent below the national average.</p>	<ul style="list-style-type: none"> <li>▪ The General Assembly should consider funding NCCCS at levels more comparable to national averages as soon as fiscal conditions permit.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Generates large internal savings by realignment and redeployment of existing resources.</li> <li>▪ Improves and strengthens the system that can best meet the State's workforce needs into the year 2000 and beyond, NCCCS.</li> </ul>	9.23
<p>7. The current formula funding model for curriculum programs encourages colleges to "chase FTEs", as this is the means to increase their funding.</p>	<ul style="list-style-type: none"> <li>▪ The General Assembly, should create a programmed-based funding model with an FTE component and possibly a goal-performance component.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Shifts program funding to a "categorical" rather than an FTE basis and supports other recommendations for system and program restructuring.</li> </ul>	9.21

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>8. Capital facilities development in community colleges is uneven because some counties are more likely than others to approve bond referenda.</p>			9.7
<p>9. Coordination between the State Board and local boards, college presidents, deans and faculty was relatively limited until recent years. The State Board and the Department of Community Colleges have worked to improve dialogue.</p>	<ul style="list-style-type: none"> <li>▪ The General Assembly should change the statutory authority of the State Board from "approval" to "appointment" of the presidents of the local community colleges.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Creates clearer lines of authority flowing from the Board and the President of the System to the local institutions, as UNC does.</li> </ul>	9.22
<p>10. The State Board has been more "reactive" than "proactive" in guiding campus, site, and program decisions, despite its enumerated statutory powers.</p>			9.9

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>11. The System's curriculum model appears to currently make a major distinction between "technical" and "vocational" programs, although changing labor market structures and future industry needs will render this traditional distinction obsolete.</p> <p>12. Adult basic and compensatory education services provided by the community colleges are successful.</p>	<ul style="list-style-type: none"> <li>▪ The State Board should expand on the existing Curriculum Improvement Program model to establish a "Centers of Excellence" approach to curriculum design.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Centers, functioning as committees, will be responsible for curriculum design, standards, and updating, in response to changes in technologies and market conditions.</li> </ul>	<p>9.21</p>

# EDUCATION

## Structure of Community College Systems

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>13. Current program review criteria do not adequately terminate outdated, unproductive, or low priority programs.</p>	<ul style="list-style-type: none"> <li>▪ The General Assembly should mandate that the State Board refine and strengthen standards for reviews of existing programs with guidelines for program termination, on the basis of low productivity, low priority (for reasons of duplication or lack of need), or low standards.</li> <li>▪ After program review standards are established in connection with new regions, the General Assembly should mandate that the System conduct a one-time program review.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The State will be more cognizant of data on statewide labor forecasting and needs when making program reviews.</li> <li>▪ Future program reviews can take into consideration the use of technology to deliver programs to remote areas or areas with low target population.</li> <li>▪ Eliminates programs that are unproductive, duplicative, unnecessary, or of insufficient quality.</li> </ul>	<p>9.20</p>
<p>14. The Department of Community Colleges has not been able to establish a regionally-based distribution of program resources.</p>	<ul style="list-style-type: none"> <li>▪ The General Assembly should mandate the State Board to redefine community college regions throughout the State.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The future system will not only focus on local communities; but also, focus on serving regional, statewide, and even global needs.</li> </ul>	<p>9.17</p>

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>1 North Carolina needs to redefine the constitutional meaning of "as far as practicable" under the terms of current fiscal conditions.</p>	<ul style="list-style-type: none"> <li>▪ The General Assembly should mandate the State Board to review and report its recommendations on changing the system calendar from a quarter system to a semester system.▪ The General Assembly must articulate the current meaning of "as far as practicable" and then delegate specific tuition and fee-setting responsibilities to the Board of Governors of UNC and to the State Board of Community colleges.</li> </ul>		
<p>2. UNC tuition and fees have been determined in two separate decision processes.</p> <p>3. Of the 36 states in the SREB, Peer, and WICHE samples; 19 have an articulated policy on tuition or on tuition and fees and two-thirds of all the states have changed tuition and student cost policies recently.</p>	<ul style="list-style-type: none"> <li>▪ Increase the level of tuition and fees at UNC to more closely reflect those found in peer institutions.</li> <li>▪ Establish immediately a policy that UNC undergraduate tuition should be increased gradually until the System average is in the range of 16 to 19 percent of cost of education and mandate the Board of Governors to determine specific rates for individual institutions so that they fall within this range.▪</li> <li>▪ Study of fees, to be reported in April, begin to address the matter of how fees might be incorporated into and appropriate policy on the allowable range for "student costs".</li> <li>▪ Formulate specific recommendations for what amount of increased tuition revenues must be added to financial aid funding, in order to compensate for tuition increases for students in financial need.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Total tuition and fees will more closely reflect the actual cost of education.</li> <li>▪ Establishes the tuition portion of the student cost policy now, leaving several percentage points of "room" for addition of a fee component system, when it is possible to do so.</li> <li>▪ A student cost policy can be implemented which includes required fees.</li> <li>▪ Avoids reducing access for students in low and middle income categories.</li> </ul>	

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<ul style="list-style-type: none"> <li>4. Regardless of low tuition levels, North Carolina has not achieved the college-going rate of its peers.</li> <li>5. Enrollments in the State's research and comprehensive institutions have increased despite recent major tuition increases.</li> <li>6. Recent increases in tuition and fees for nonresident undergraduates have not had a material effect on enrollment in UNC.</li> <li>7. Those State research and doctoral universities which have the strongest non-resident demand have a relatively lower non-resident tuition.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The General Assembly should mandate the Board of Governors to establish higher rates of tuition for both resident and nonresident students for two categories of graduate programs:               <ul style="list-style-type: none"> <li>▪ Those that lead to high-income occupations</li> <li>▪ All other master's and doctoral programs</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Allows tuition rates to more closely reflect their eventual economic value.</li> </ul>	<p style="text-align: center;">24</p>

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>8. Graduate tuition rates at UNC are essentially the same as undergraduate rates for both resident and nonresident categories.</p> <p>9. UNC undergraduate resident tuition and fees for FY '91-'92 were lowest of all peer states for research universities and third lowest for comprehensive universities.</p> <p>10. Tuition rates for UNC and NCCCS are determined by higher education requirements and, in part, by what appears to be an interpretation that tuition provides "gap" financing.</p>	<ul style="list-style-type: none"> <li>Continue the present policy of setting nonresident undergraduate tuition levels at or near cost of education, with the Board of Governors having discretion to vary the percentage for research universities, comprehensive universities, and special institutions, as it deems necessary to meet specific institutional goals for a mixed student body.</li> <li>The State's potential to raise tuition should be used in the future only for purposes of strengthening the higher education systems' service to North Carolinians.</li> </ul> <p><i>* Referred back to subcommittee</i></p>	<ul style="list-style-type: none"> <li>Allows the education systems to operate within fiscal constraints.</li> <li>Gives the Board of Governors the authority to enter into reciprocal tuition agreements with counterparts in border states and for designated institutions that attract significant numbers of students from those border states.</li> <li>Students and potential students will receive increased or improved services in return for increases in tuition.</li> </ul>	<p>24</p>



FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<ol style="list-style-type: none"> <li>1. North Carolina's three education systems are not coordinated.</li> <li>2. The divergent governance structures of the three systems of public education impede shared decision-making, intersystem planning, and problem resolution.</li> </ol>	<ul style="list-style-type: none"> <li>▪ Design a conceptual continuum for education programs and services for North Carolina for the 21st century.</li> <li>▪ Using UNC as a model, modify the governance structures of DPI and NCCCS so that the system chief executives may more effectively work together on intersystem policy and planning decisions.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identifies gaps and overlaps in educational programs.</li> <li>▪ Eases the work of bringing all of the ideas together from the many excellent studies for education as a whole.</li> <li>▪ The three governance structures could have more features in common, with the exceptions that are appropriate to their missions..</li> </ul>	12.1

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>3. Without an effective intersystem governance system, the General Assembly acts as the education coordinating body on an issue-by-issue basis.</p>	<ul style="list-style-type: none"> <li>▪ The General Assembly should mandate that the three system CEOs should be convened permanently as an “education cabinet” chaired by the Governor of the State, to implement the results of the strategic education continuum study and to plan, design, and coordinate programs across the systems on a permanent basis.</li> <li>▪ The Governor should convene the three boards or officers of the three boards as a State Education Commission.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establishes a basis for discussing and resolving intersystem education issues.</li> <li>▪ Increases the education accountability of the Governor.</li> <li>▪ Provides a forum for airing proposals and engaging board-to-board dialogue about issues the proposed education cabinet is addressing.</li> </ul>	



## PUBLIC SAFETY

### Highway Patrol Merit Pay Increase

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
1. The automatic annual merit pay increases has created morale problems on the part of other State law enforcement officers.	<ul style="list-style-type: none"> <li>The General Assembly should repeal Section 20-187.3 which provides for automatic annual merit pay increases for State Highway Patrol officers.</li> </ul>	<ul style="list-style-type: none"> <li>Reduces State costs (paid from the Highway Fund) in years when current practice provides State Highway Patrol officers with merit increases greater than those budgeted for other State employees.</li> <li>Less risk of morale problems.</li> </ul>	1.3
2. The provision singles out one group of law enforcement officers for more favored treatment without a compelling reason.	<ul style="list-style-type: none"> <li>Merit pay increases for State Highway Patrol officers should be subject to the same budgetary and personnel evaluation processes as are applicable to other State law enforcement officers.</li> </ul>	<ul style="list-style-type: none"> <li>The General Assembly will gain additional fiscal flexibility.</li> </ul>	1.3
3. The special provision for State Highway Patrol officers was added to the statutes in the same section that prohibits the State Highway Patrol from setting a minimum quota of traffic citations for patrol officers.			

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>1. The special separation allowance is not presently included in the actuarial calculations for future retirement obligations of the State.</p>	<ul style="list-style-type: none"> <li>▪ The General Assembly should adopt a statute that sets out the State's retirement income goal, measured as a percentage of final salary, for law enforcement personnel.</li> </ul>	<ul style="list-style-type: none"> <li>▪ This goal would be a "cap" on the combined benefits from all three current programs available to law enforcement.</li> <li>▪ Estimates would be available on the costs of providing this State benefit.</li> </ul>	<p>2.4</p>
<p>2. The cost of future separation benefits for the 2,800 current law enforcement officers serving the State will be substantial.</p>	<ul style="list-style-type: none"> <li>▪ A retirement income goal should be used to set an overall retirement policy for coordinating all post-retirement income programs for law enforcement officers.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensures sound and comprehensive retirement policy planning.</li> </ul>	<p>2.4</p>
<p>3. No other southeastern state had a similar benefit for law enforcement personnel in 1991.</p> <p>4. The law enforcement retirement program consists of three separate benefits which makes it difficult to compare total compensation to other states.</p>	<ul style="list-style-type: none"> <li>▪ Based on the recommended "cap," the General Assembly should revise or repeal the existing special separation allowance as set out in G.S. 143-166.41. In the interests of equity with local law enforcement, the General Assembly should consider making a similar revision in G.S. 143-166.42 so that local governments are not mandated to provide a benefit any greater than the State.</li> </ul>	<ul style="list-style-type: none"> <li>▪ To the extent that the retirement "cap" for law enforcement officers is reduced from the present level, the State will receive long-term cost savings in reduced retirement benefit payments.</li> <li>▪ Complete abolition of the special separation allowance would save the General Fund in excess of \$2.5 million each year.</li> </ul>	<p>2.4</p>

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>5. Key differences between general state employee and public safety employee retirement benefits include:</p> <ul style="list-style-type: none"> <li>▪ Most states use a higher percent of final annual salary to compute law enforcement pensions than they use for general employees</li> <li>▪ Most retirement systems allow law enforcement employees to retire with full pensions at an earlier age than general employees</li> <li>▪ On average, law enforcement personnel receive pension benefits that are 25 percent higher than those received by regular State employees</li> </ul>			2.4

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>6. The retirement benefits available in North Carolina to law enforcement can result in total retirement income in excess of 90 percent of final annual salary. This can be as much as twice the comparable percentage for state employees generally.</p>			2.4
<p>7. The superior pension benefits received by law enforcement officers (relative to other public employees) play a significant role in recruiting and retaining employees in what can be a dangerous and stressful occupation.</p>			2.4

## PUBLIC SAFETY

*How Should the State Organize the Enforcement of Alcohol-Related Laws*

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<ol style="list-style-type: none"> <li>1. At a time when serious crimes are increasing in North Carolina, the State is dedicating over \$5.7 million of General Fund money to alcohol regulatory activities and alcohol criminal investigations which result primarily in infractions or misdemeanor arrests.</li> <li>2. Alcohol Law Enforcement and SBI are rarely coordinating their operations to target controlled substances in certain ABC licensed establishments.</li> <li>3. The enforcement of the Alcohol Beverage Control Laws in the State is not coordinated and there appears to be duplication of effort.</li> </ol>	<ul style="list-style-type: none"> <li>▪ Primary responsibility for liquor law enforcement should rest with local ABC and local law enforcement agencies:</li> <li>▪ The Alcohol Law Enforcement Division should be phased out over 18 months and its law enforcement functions should continue to be performed by local law enforcement.</li> <li>▪ If alcohol-related criminal activities occur that are inter-county or inter-state, the State Bureau of Investigation should be the responsible lead law enforcement agency.</li> <li>▪ The regulatory and public education responsibilities of the Alcohol Law Enforcement Agency should be transferred to the Alcohol Beverage Control Commission.</li> <li>▪ The State ABC Commission should take over the funding of the ABC regulators.</li> <li>▪ The regulatory staffing level should consist of no more than 55 to 60 regulators and 7 support staff.</li> <li>▪ Existing ALE staff should be given preference in transferring to the State ABC or taking enforcement positions with local ABC.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The State would no longer be devoting as high a level of General Fund resources to the enforcement of alcohol-related infractions and misdemeanors.</li> <li>▪ The local ABC Boards would be required to be accountable to the State for their enforcement activities, something that currently does not exist.</li> <li>▪ Local law enforcement would have to take on more responsibility for the enforcement of Alcohol Beverage Control Laws.</li> <li>▪ There would be reduced duplication of efforts by local law enforcement and State law enforcement agencies in enforcing alcohol-related laws.</li> <li>▪ Rather than indirectly responsible, the State ABC Commission would be totally responsible for the regulatory activity of alcohol in the State.</li> <li>▪ The result could be \$5.7 million in General Fund resources available for other activities.</li> </ul>	<p>3.6</p>

## PUBLIC SAFETY

*How Should the State Organize the Enforcement of Alcohol-Related Laws*

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>4. There is no central authority to whom local ABC Boards must regularly report their law enforcement activities.</p>	<ul style="list-style-type: none"> <li>▪ The General Assembly, in conjunction with the State ABC Commission, should require the local ABC Boards to double the percentage of gross profits devoted to local law enforcement and amend 18B-805 of ABC laws to reflect this change.</li> <li>▪ In addition, 18B-501 of the Alcoholic Beverage Control Laws should be amended to require the State ABC Commission to monitor the local ABC enforcement efforts to ensure that enforcement activities are meeting minimum standards.</li> </ul>	<ul style="list-style-type: none"> <li>▪ This would increase local ABC funding for law enforcement by \$3.7 million each year.</li> </ul>	<p>3.6</p>



**PUBLIC SAFETY**  
*Butner Public Safety*

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>1. The sixty-five percent of the calls in fiscal year 1990-91 for service in Butner were from the citizens living outside the State facilities at Butner. Yet citizens of Butner were only assessed 20 percent of the cost of the Butner Public Safety Division. Thus, it appears that citizens throughout the State are subsidizing local public safety services for the citizens living in the Butner area.</p>	<ul style="list-style-type: none"> <li>▪ Provide a detailed evaluation of the following options:               <ul style="list-style-type: none"> <li>▪ The State General Assembly should amend Section 153A-301 of the North Carolina General Statutes to allow for the establishment of Public Safety Districts.</li> <li>▪ Once Section 153A-301 of the North Carolina General Statutes is amended, the State should turn over the public safety function of Granville and Durham.</li> <li>▪ Leave Butner Public Safety as it exists and make assessments fair and equitable.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ The expected result of these options would be:               <ul style="list-style-type: none"> <li>▪ If these counties chose to establish a Public Safety District to provide for the public safety requirements of the Butner area, the State could then contract back with the counties' Public Safety District for the necessary police and fire protection required by the state institutions. This recommendation could save the State over \$800,000 annually.</li> <li>▪ The assessment will ensure that the state institutions are adequately protected.</li> <li>▪ Residents of Butner would begin to pay higher taxes to fund their proportionate share of the cost for police and fire services.</li> <li>▪ Residents of Butner would have more local control of the public safety services provided by the Butner Public Safety Division.</li> </ul> </li> </ul>	<p>4.5</p>

## PUBLIC SAFETY

### *Civilianization of Selected Law Enforcement Job Classes*

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
1. None of the positions outlined for civilianization in the Systems Design Group's study appear to require law enforcement status as a necessary condition to discharge the essential duties of the position.	<ul style="list-style-type: none"> <li>The Office of State Personnel should develop formal policies and procedures for determining when a position should be filled with a sworn law enforcement officer in order to discharge the essential duties of the position.</li> </ul>	<ul style="list-style-type: none"> <li>This will lower the overall State cost of performing these duties.</li> </ul>	5.5
2. The Office of State Personnel does not appear to have a consistent methodology for assessing whether a classification requires sworn law enforcement status.	<ul style="list-style-type: none"> <li>The General Assembly should enact a statute that prohibits State agencies from using budgeted funds to pay law enforcement officer benefits to persons filling positions that do not require such status as a basic requirement for the job.</li> </ul>	<ul style="list-style-type: none"> <li>Statutory control over inappropriate use of funds.</li> </ul>	5.5
3. The State is providing additional compensation for positions that are unnecessarily being filled by sworn law enforcement officers.	<ul style="list-style-type: none"> <li>Those positions which are identified in the Systems Design Group report as "classes to be civilianized" should be civilianized upon vacancy.</li> </ul>	<ul style="list-style-type: none"> <li>This will minimize personal financial hardship for persons currently occupying these positions.</li> </ul>	5.5

## PUBLIC SAFETY

Division of Motor Vehicles Enforcement Unit

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
1. The process officer function does not appear to be an activity which State law enforcement officers should continue.	<ul style="list-style-type: none"> <li>• The DMV process officer positions should be phased out. Any collection activities for bad checks or process service fees should be transferred to the Attorney General's collection section or contracted to a private collection agency.</li> </ul>	<ul style="list-style-type: none"> <li>• The Highway Fund would experience reduced costs of approximately \$6.5 million annually due to the net reduction in staffing from the eliminations of process officers and the net reduction in DMV inspector and weight and safety officer positions after reorganization with SHP and SBI.</li> </ul>	6.9
2. The majority of the work performed by DMV inspectors is regulatory in nature. This includes monitoring and auditing vehicle dealers and manufacturers and vehicle emissions testing stations.	<ul style="list-style-type: none"> <li>• The DMV inspector job classes should be civilianized and perform only regulatory activities. The staffing for these regulatory functions should consist of no more than 55 inspectors and 5 to 7 support staff to conduct dealer audits/inspections and inspections of emission testing stations.</li> <li>• Those law enforcement activities previously performed by the DMV inspectors assigned to the major crimes unit (16 inspector positions) should be transferred to the SBI. Sixteen positions should be provided. SBI should be granted original jurisdiction to investigate multi-jurisdictional auto-related crimes similar to the powers formerly granted to DMV.</li> </ul>	<ul style="list-style-type: none"> <li>• All highway traffic enforcement in North Carolina would be placed under one command.</li> </ul> <p><i>* Referred back to subcommittee</i></p>	6.9
3. The Weight and Motor Carrier Officers function could be performed more efficiently and effectively by the State Highway Patrol.	<ul style="list-style-type: none"> <li>• The Motor Carrier Safety and Weight functions of DMV enforcement should be transferred to the Highway Patrol at the end of an 18-month transition period. During this transition period the Highway Patrol should report its plans for meeting all the requirements and duties to the legislature and the Department of Transportation.</li> </ul>	<ul style="list-style-type: none"> <li>• After an 18-month phase-in period, it would mean a reduction in staff of approximately 103 process officers, 90 inspectors, and an undetermined number of Weight Enforcement officers, Motor Carrier Safety officers, and civilian staff depending upon how reorganization into the SHP is finally implemented.</li> </ul>	6.9